

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 896

Introduced by Preister, 5

Read first time January 5, 2006

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2701, Revised Statutes Supplement, 2005; to provide a
3 renewable energy tax credit; to harmonize provisions; and
4 to repeal the original section.

5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2701, Revised Statutes Supplement,
2 2005, is amended to read:

3 77-2701 Sections 77-2701 to 77-27,135.01, 77-27,222, and
4 77-27,228 to 77-27,234 and section 2 of this act shall be known and
5 may be cited as the Nebraska Revenue Act of 1967.

6 Sec. 2. (1) Any producer of electricity generated by
7 a zero-emission facility with a rated production capacity of one
8 megawatt or greater shall earn a renewable energy tax credit. For
9 electricity generated on or after the effective date of this act,
10 and before January 1, 2008, the credit shall be .075 cent for each
11 kilowatt-hour of electricity generated by a zero-emission facility.
12 For electricity generated on or after January 1, 2008, and before
13 January 1, 2011, the credit shall be .05 cent per kilowatt-hour for
14 electricity generated by a zero-emission facility. For electricity
15 generated on or after January 1, 2011, and before January 1, 2016,
16 the credit shall be .025 cent per kilowatt-hour for electricity
17 generated by a zero-emission facility. The credit may be earned for
18 production of electricity for ten years after the date that the
19 facility is placed in operation on or after the effective date of
20 this act.

21 (2) For purposes of this section:

22 (a) Electricity generated by a zero-emission facility
23 means electricity that is exclusively produced by a facility
24 located in this state for the generation of electricity placed
25 in operation after the effective date of this act, which utilizes

1 eligible renewable resources as its fuel source. The construction
2 and operation of the facility shall result in no pollution or
3 emissions that are or may be harmful to the environment, pursuant
4 to a determination by the Department of Environmental Quality; and

5 (b) Eligible renewable resources means wind, moving
6 water, solar, geothermal, fuel cell, methane gas, or photovoltaic
7 technology.

8 (3) The credit allowed under this section may be used to
9 reduce the producer's Nebraska income tax liability or to obtain
10 a refund of state sales and use taxes paid by the producer of
11 electricity generated by a zero-emission facility. A claim to use
12 the credit for refund of the state sales and use taxes paid, either
13 directly or indirectly, by the producer may be filed quarterly
14 after the electricity is generated. The credit may be used to
15 obtain a refund of state sales and use taxes paid before the end
16 of the quarter immediately preceding the quarter in which the claim
17 for refund is made, except that the amount refunded under this
18 subsection shall not exceed the amount of the state sales and use
19 taxes paid.

20 (4) The Department of Revenue may adopt and promulgate
21 rules and regulations to permit verification of the validity and
22 timeliness of any renewable energy tax credit claimed.

23 Sec. 3. Original section 77-2701, Revised Statutes
24 Supplement, 2005, is repealed.